

# DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

## PERFORMANCE PLAN FY 2011

### CONTRIBUTION TO MONTGOMERY COUNTY RESULTS

- Affordable Housing in an Inclusive Community
- Healthy and Sustainable Communities
- A Responsive and Accountable County Government

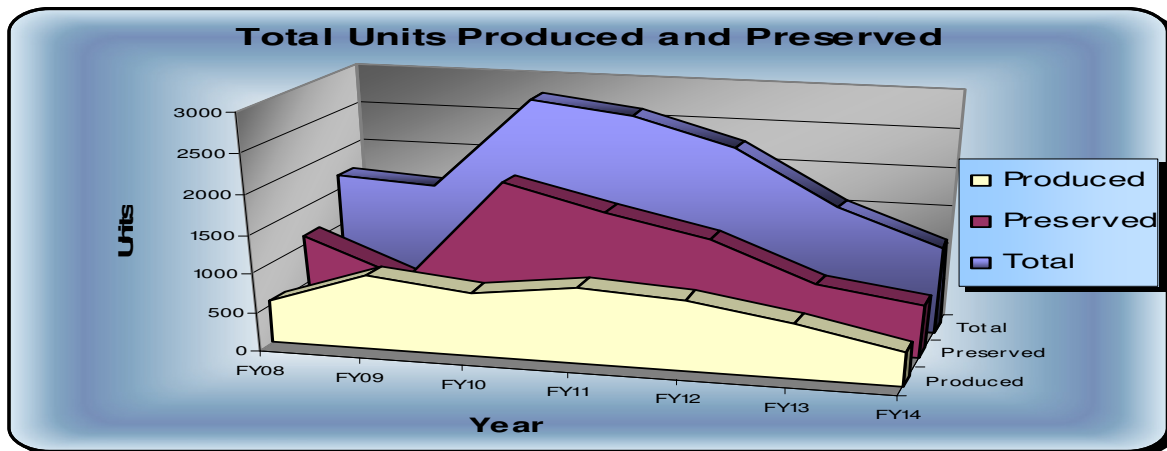
What We Do and for Whom	How Much
<b>Multi-Family Housing Programs</b> This program creates and preserves affordable multi-family housing units. Loans are made to the Housing Opportunities Commission, nonprofit organizations, property owners, and for-profit developers.	<b>County Operating Resources and WYs</b> <ul style="list-style-type: none"> <li>• \$13,346,360 (MHI)</li> <li>• 7.5 WY</li> </ul> <b>Additional Resources and/or WYs</b> <ul style="list-style-type: none"> <li>• \$15M CIP – Affordable Housing #0760100</li> </ul>
<b>Single-Family Housing Programs</b> This program creates and preserves affordable single-family housing units. It enforces Chapter 25A of the County Code to ensure that Moderately Priced Dwelling Units (MPDUs) are provided and monitored for resale control.	<b>County Operating Resources and WYs</b> <ul style="list-style-type: none"> <li>• \$894,380</li> <li>• 6.6 WY</li> </ul> <b>Additional Resources and/or WYs</b> <ul style="list-style-type: none"> <li>• 2.4 WY to ARRA Programs</li> <li>• 1.0 WY to DPS</li> </ul>
<b>Housing Code Enforcement</b> This program enforces Chapter 26 of the County Code, Housing Maintenance, by inspecting rental condominiums, multi-family apartments, and single-family housing to ensure safe and sanitary conditions; and Chapter 48, Solid Wastes; and Chapter 58, Weeds, the County's residential weeds and rubbish codes.	<b>County Operating Resources and WYs</b> <ul style="list-style-type: none"> <li>• \$1,375,500</li> <li>• 15.8 WY</li> </ul> <b>Additional Resources and/or WYs</b> <ul style="list-style-type: none"> <li>• 1.4 WY to ARRA Programs</li> <li>• 5.6 WY to DEP (Solid Waste)</li> <li>• 2.0 WY to Takoma Park (Grant)</li> </ul>
<b>Grants Administration</b> Staff provides management and oversight to ensure compliance with all regulatory requirements for Federal funding awarded to Montgomery County by the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant, the HOME Investment Partnership Grant, and the Emergency Shelter Grant programs.	<b>County Operating Resources and WYs</b> <ul style="list-style-type: none"> <li>• \$7,443,110 (Federal / State Grants)</li> <li>• 4.0 WY</li> </ul>
<b>Landlord-Tenant Mediation</b> This program ensures fair and equitable relations between landlords and tenants and encourages the maintenance and improvement of housing.	<b>County Operating Resources and WYs</b> <ul style="list-style-type: none"> <li>• \$836,670</li> <li>• 6.5 WY</li> </ul>
<b>Neighborhood Revitalization</b> This program provides planning and implementation	<b>County Operating Resources and WYs</b> <ul style="list-style-type: none"> <li>• \$167,770</li> </ul>

for neighborhood revitalization in targeted areas. . Activities include commercial revitalization (physical and economic) in local retail centers and central business districts as well as assistance to address other community concerns, including issues related to housing and public services.	<ul style="list-style-type: none"> <li>• 4.1 WY</li> </ul> <b>Additional Resources and/or WYs</b> <ul style="list-style-type: none"> <li>• \$1.89M CIP – CDBG</li> <li>• \$945k CIP – GO Bonds</li> <li>• \$113k CIP – Current Revenue</li> <li>• 5.2 WY to Capital Programs</li> <li>• 0.7 WY to ARRA Programs</li> </ul>
<b>Licensing and Registration</b> This program issues licenses to all rental housing (apartments, condominiums, single-family) and registers all housing units within common ownership communities.	<b>County Operating Resources and WYs</b> <ul style="list-style-type: none"> <li>• \$370,830</li> <li>• 3.0 WY</li> </ul>
<b>Housing Administration</b> This program provides management and oversight to support activities within the housing division including single and multi-family housing programs, code enforcement and landlord tenant mediation.	<b>County Operating Resources and WYs</b> <ul style="list-style-type: none"> <li>• \$216,230</li> <li>• 1.6 WY</li> </ul> <b>Additional Resources and/or WYs</b> <ul style="list-style-type: none"> <li>• 0.4 WY to ARRA Programs</li> </ul>
<b>Administration</b> This program provides overall direction, administration, and managerial support to the Department. Activities include budgeting, financial management, personnel management and administration, program oversight, training, automated systems management, and policy/program development and implementation (legislation, regulations, and procedures).	<b>County Operating Resources and WYs</b> <ul style="list-style-type: none"> <li>• \$902,570</li> <li>• 9.6 WY</li> </ul> <b>Additional Resources and/or WYs</b> <ul style="list-style-type: none"> <li>• 0.2 WY to ARRA Programs</li> </ul>
<b>Department of Housing and Community Affairs Totals</b>	<b>County Operating Resources and WYs</b> <ul style="list-style-type: none"> <li>• Total FY11 Operating - \$25,557,420</li> <li>• Total Operating WY – 58.7 WY</li> </ul> <b>Additional Resources</b> <ul style="list-style-type: none"> <li>• Total FY11 CIP - \$17,948,000</li> </ul> <b>Total Dept Work Years – 77.6 WY</b>

[https://countystat.share.mcgov.org/plans/Shared Documents/DHCA\\_FY11\\_Performance\\_Plan\\_Update.doc](https://countystat.share.mcgov.org/plans/Shared Documents/DHCA_FY11_Performance_Plan_Update.doc)

## DHCA PERFORMANCE

### Production and Preservation of Affordable Housing Units

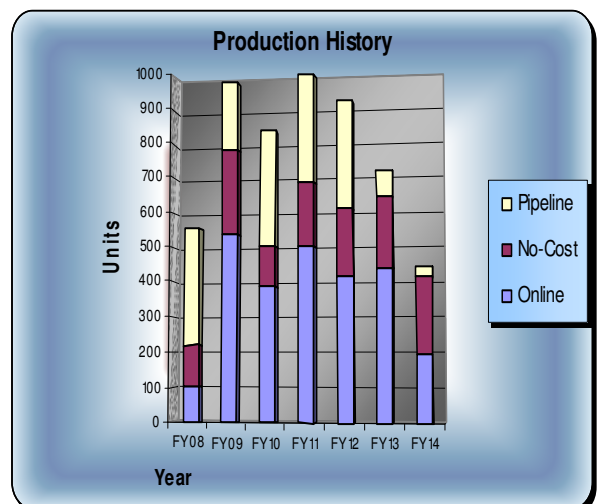
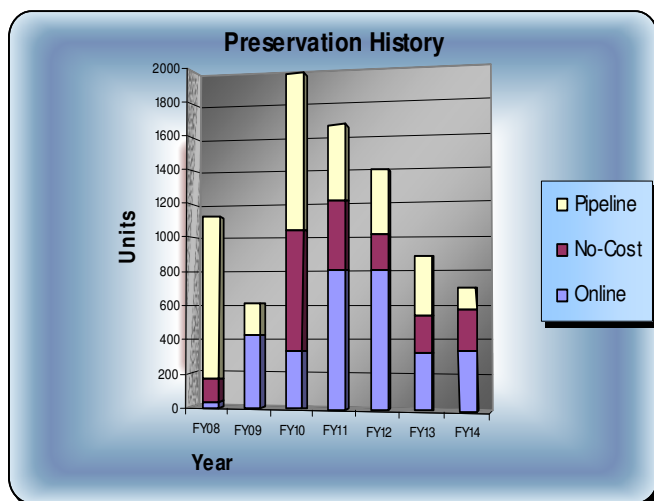


#### Headline Performance Measure #1:

Number of affordable housing units produced and preserved by fiscal year

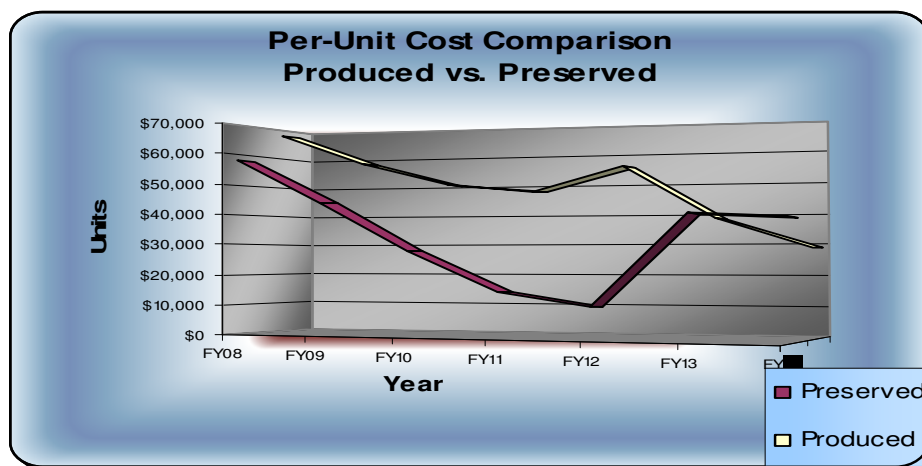
Production	FY08	FY09	FY10	FY11	FY12	FY13	FY14
County-Funded Units Online	103	536	385	497	412	434	193
No-Cost Units Online	116	242	114	184	193	203	213
Production Pipeline	336	200	334	311	307	73	28
<b>Total</b>	<b>555</b>	<b>978</b>	<b>833</b>	<b>992</b>	<b>912</b>	<b>710</b>	<b>434</b>

Preservation	FY08	FY09	FY10	FY11	FY12	FY13	FY14
County-Funded Units Online	34	423	336	802	802	329	343
No-Cost Units Online	131	0	700	404	200	210	228
Preservation Pipeline	954	190	921	440	379	340	128
<b>Total</b>	<b>1,119</b>	<b>613</b>	<b>1,957</b>	<b>1,646</b>	<b>1,381</b>	<b>879</b>	<b>699</b>



## Headline Performance Measure #2 and #3:

County cost per unit of affordable housing produced and preserved



Measure	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Production – Cost/Unit Online	\$68,270	\$57,779	\$50,047	\$47,513	\$55,473	\$38,099	\$29,113
Preservation – Cost/Unit Online	\$57,932	\$43,827	\$28,005	\$14,611	\$10,258	\$39,469	\$37,949

### Story Behind The Performance

1. Complex housing projects (multifamily deals with multiple financing sources) take about two to three years to come online; therefore, the effect of an increase or decrease in County multifamily financing takes about two to three years to come to fruition.
2. In FY08, Housing Community Affairs (HCA) received approximately \$35M in Housing Initiative Fund (HIF) funding, up from \$25M in FY07.
3. Currently HIF funding is \$15M. Housing Acquisition and Rehab funding has stayed constant, and ARRA funding will end in FY12.
4. As demonstrated in previous CountyStat reports, HCA's housing production and preservation efforts peaked in FY10 at 2,783, and are set to trend downward for the foreseeable future given recent funding reductions.
5. Given recent funding reductions a trend downward for the foreseeable future is projected.
6. A produced housing unit should cost more than a preserved housing unit given that there are often infrastructure improvements involved. The average price of a produced/preserved unit from FY08 to FY14 (projected) reflects this.
7. The average cost of a produced housing unit is approximately \$52,750, while a preserved unit is \$30,250.
8. Fluctuations are expected from year to year given that different projects have different funding gaps as well as different programs (Neighborhood Conservation Initiative, Neighborhood Stabilization Program, Single Family Foreclosure) are more expensive to

run than others (Multifamily Loans, Weatherization, Rental Assistance, Single Family Rehab).

### **Contributing Factors**

1. A positive history of acceptance and support for inclusiveness and mixed-income communities by the County's residents and officials.
2. Continued funding for CIP 0760100 – the Housing Acquisition and Rehabilitation Fund – has permitted DHCA to become involved in more and larger projects and significantly increase the number of affordable units added to the inventory annually.
3. Funding for CIP 0760100 – the Housing Acquisition and Rehabilitation Fund – and ability of County to exercise “right-of-first refusal” has resulted in increased willingness of private sector to enter into voluntary rental agreements.
4. Strong partnerships with nonprofit and private sectors in the provision of affordable housing.
5. Opportunities for redevelopment of infill and transit station areas.
6. Increased number of vacant properties available for purchase due to excessive number of foreclosures in the county.

### **Restricting Factors**

1. Multifamily property values remain high and are a limiting factor on the ability to use scarce HIF dollars for acquisition of existing properties.
2. Economy has slowed the production of new housing.
3. Economy has limited the private sector involvement in new projects resulting in nonprofits being the primary party seeking HIF assistance and they bring little equity to the table, thereby requiring more gap financing.
4. Federal tax credits, which are a major part of low income housing financing, produce 30 percent less in equity in this current economy, resulting in a bigger demand on HIF dollars for individual projects.
5. NIMBYism – localized opposition to affordable housing development.
6. Limitations on future residential development as the County nears “build-out.”

### **What We Propose To Do**

1. Preserve existing affordable housing through aggressive code enforcement and effective utilization of Housing Acquisition and Rehabilitation dollars.

2. Increase attention to preserving affordable multifamily rental buildings/developments.
3. Establish goals for addition of affordable housing to County stock and closely monitor progress on achieving those goals.
4. Continue aggressive push of closing cost assistance program managed by HOC.
6. Pursue prompt completion of development on county owned parcels, i.e., Bowie Mill, Fleet Street, Hampden Lane, Bonifant (Silver Spring Library site).
7. Promote mixed-use development (e.g., the promotion of housing development in non-residential areas).
8. Continue the focus on, and coordination of, housing for those with special needs, e.g. homeless, persons with disabilities, seniors, etc.
9. Promote the adaptive use of the County's existing housing stock to reduce demand on new housing: e.g., assist seniors in adapting their homes to meet their needs.

**Headline Performance Measure #4:**

Percent of cases that achieve voluntary compliance in code enforcement cases before a citation is written

Measure	FY08	FY09	FY10	FY11	FY12	FY13	FY14
% achieving voluntary compliance	93%	92%	94%	94%	94%	94%	94%
Voluntary compliance – number of cases	6,326	6,550	6,852	6,799	6,800	6,800	6,800
Total number of cases	6,782	7,078	7,284	7,228	7,250	7,250	7,250

**Headline Performance Measure #5:**

Number of housing code enforcement repeat offenses (more than two visits in two years)

Measure	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Number of Repeat Offenses	212	198	105	102	102	102	102

**Story Behind The Performance****Contributing Factors**

1. There is generally good housing stock throughout the County, therefore, contributing to residents' willingness to comply with codes and not be the exception within their neighborhood.
2. Multifamily landlords have generally established a good track record of cooperation and working toward compliance.
  - a. Neighborhood associations are anxious to obtain compliance throughout neighborhoods.
  - b. Competent and efficient code staff is experienced in working with landlords and homeowners to get compliance.

**Restricting Factors**

1. Some areas have a high concentration of rental housing with some renters and landlords exhibiting an "I don't care" attitude.
2. Some neighborhoods with relatively high concentrations of over crowded smaller single family residences.
3. Multiple car ownership in individual units/homes creating parking problems.
4. Lack of knowledge and/or misperception by many residents and property owners as to what codes permit or prohibit, and respective responsibilities of parties.

5. Some cases of frequent violations by same landlords.
7. Awaiting action on Executive Branch legislative changes to improve coordination and effectiveness of County code enforcement.

### **What We Propose To Do**

1. Increase use of shared data base for use by various departments involved in code related issues.
2. Improve ability to identify relocation resources for families/individuals that need to move for code related reasons.
3. Develop rehab program to assist in financing improvements to bring properties into code compliance.
4. Continue community awareness effort to keep community informed of code requirements.
5. Solicit assistance from real estate community to identify problems and better counsel their colleagues.



**Headline Performance Measure #6:**

Number of landlord/tenant cases mediated successfully

Measure	FY08	FY09	FY10	FY11	FY12	FY13	FY14
% cases mediated successfully	98%	97%	97%	97%	97%	97%	97%
No. of cases mediated successfully	1,363	699	826	794	815	815	815
Total cases	1,394	722	846	830	840	840	840

**Headline Performance Measure #7:**

Average length of time required to conciliate landlord/tenant disputes that do not go to the Landlord/Tenant Commission

Measure	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Average Number of Days	35.9	34	35	33	33	30	30
Total Number of Cases	1,394	722	846	830	840	840	840

**Story Behind The Performance****Contributing Factors**

1. Landlord/Tenant Commission and staff have established a solid track record over the years in addressing these issues and setting a standard for landlords and tenants throughout the County.
2. Conciliation efforts between landlords and tenants have had a success rate of approximately 95 percent thereby resolving issues before they need to be presented to the Commission for resolution.

**Restricting Factors**

1. The increase in number of landlords, particularly those managing small properties, requires increased outreach and education.
2. The tightness of the rental housing market reduces the incentive for landlords to conciliate.
3. The lack of available and affordable relocation resources makes it difficult to assist families and individuals whose best interests are served by moving.

4. There is an impression by some landlords that the staff and Commission inequitably support tenant positions in disputes. Some tenants feel the opposite is true.

### **What We Propose To Do**

1. Promote education of landlords and residents regarding the law and the responsibilities of each.
2. Improve the technology used to respond to questions, to open cases and to track those cases.
3. Determine the impact of landlord/tenant activities on the number and type of cases that are taken to the District Court.
4. Examine recommendations of the tenant task force to determine what changes might be appropriate in policy or procedures in DHCA.